

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 25, 1945

IMPORTANT VICTORY LOAN DRIVE

To the Managing Officer of the Bank Addressed:

In my letter of October 15, 1945, addressed to the managing officers of banks in the Eleventh Federal Reserve District, I called your attention to the Treasury's requirement that all subscriptions for marketable securities offered in the Victory Loan Drive must be accompanied by a certificate signed by an officer of the bank submitting the subscription. That requirement is made, of course, to expedite processing subscriptions and to achieve as fully as possible the objective of the Victory Loan Drive.

Secretary of the Treasury Vinson has requested that the Federal Reserve banks inform the banks in their respective districts that the Treasury considers it essential that each bank designate a specific officer or officers, who are fully informed as to the Treasury's objectives and requirements, to pass upon subscriptions for marketable securities and to sign the required certification. Thus, in so far as possible, the bank may be assured that such subscriptions are not speculative in character. The Treasury and the Federal Reserve banks, acting as fiscal agents of the Treasury, will rely upon the certification of the bank with which the subscription was filed for the account of a customer.

In the event that a bank receiving a subscription prefers not to pass upon its eligibility, the Secretary of the Treasury has requested that the appropriate Federal Reserve Bank, acting as fiscal agent of the Treasury, assume that responsibility. If the banking institution receiving a subscription has any doubt as to the propriety of accepting it, that bank should notify this Federal Reserve Bank, or its appropriate branch, stating the circumstances and furnishing all available information regarding the particular case. Such questionable subscriptions should not be entered with the Federal Reserve Bank until it has had an opportunity to study the facts and submit suggestions to the bank receiving the subscription.

If, in its review and examination of the subscriptions submitted to it, questions should arise which are based on information which may not have been available to the bank submitting the subscription, the Federal Reserve Bank will communicate accordingly with that bank. In this connection, Secretary Vinson has urged the cooperation of banks in answering inquiries which the Federal Reserve Bank may find it necessary to make of them in order to determine the acceptability of subscriptions.

I am sure that you appreciate the importance of eliminating all subscriptions of a speculative character, and I know that you will be glad to cooperate fully with this bank and with the Treasury, as you have in past war loan drives. This will enable the Treasury to place its securities with permanent investors outside of the banking system and thus avoid an expansion in bank deposits and a further increase in inflationary pressures.

Sincerely yours,

R. R. GILBERT

President

